

## What's changing?

From 2 July 2018, there will be a New Child Care Package. The Package will help parents with children aged 0–13 work, train, study and volunteer. The Package includes a new Child Care Subsidy, which replaces the current Child Care Benefit and Child Care Rebate. It will be paid directly to services.

### CURRENT

Child Care Benefit

Child Care Rebate

### NEW

Child Care Subsidy

## Annual subsidy cap

Families earning \$186,958<sup>a</sup> or less will have no cap on the amount of Child Care Subsidy they can claim. Families earning over \$186,958<sup>a</sup> and under \$351,248<sup>a</sup> will benefit from an increase in the current cap of \$7,613 to \$10,190<sup>a</sup> per child, per year.

Combined annual family income

\$186,958<sup>a</sup> or less

More than \$186,958<sup>a</sup> to less than \$351,248<sup>a</sup>

Annual subsidy cap per child

No cap

Increase to \$10,190<sup>a</sup>

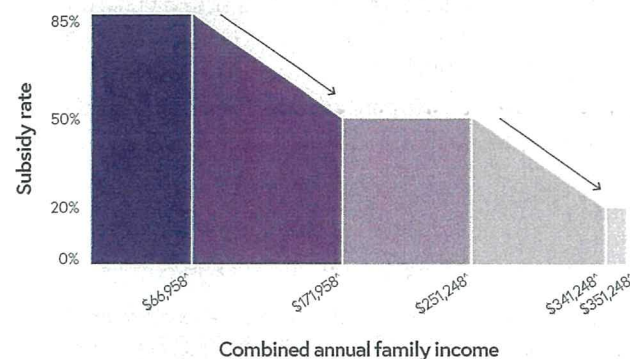
<sup>a</sup>These amounts are correct for 2018/19 and may be subject to adjustment through indexation in subsequent years.

## How does it work?

Three things will determine a family's level of Child Care Subsidy:

### 1. Combined family income

A family's annual adjusted taxable income will determine the percentage of subsidy they are eligible for.



To estimate what your new subsidy might be, go to [education.gov.au/childcare](http://education.gov.au/childcare)



## 2. Activity level of parents

The number of hours of subsidised care families can access, will be determined by an activity test. The higher the level of activity, the more hours of subsidised care families can access, up to a maximum of 100 hours **per fortnight**.

### RECOGNISED ACTIVITIES

- paid work – including leave, such as maternity leave
- study and training
- unpaid work in family business
- looking for work
- volunteering
- self-employment
- other activities on a case-by-case basis.

There will be exemptions for parents who legitimately cannot meet the activity test requirements, as well as to support children's participation in preschool.

### HOURS OF ACTIVITY

The parent or guardian with the lowest hours of activity per fortnight will determine the hours of subsidised care. The hours of subsidy are per child.

#### Hours of activity\*

#### Hours of subsidy\* (maximum)

#### For families earning up to \$66,958<sup>a</sup>

Less than 8 hours 24 hours

#### For families earning up to \$351,248<sup>a</sup>

8 to 16 hours 36 hours

More than 16 to 48 hours 72 hours

More than 48 hours 100 hours

<sup>a</sup>per fortnight

Parents whose hours of paid work vary from one fortnight to the next (such as casual workers) can estimate their fortnightly hours of work based on a three-month period.

## 3. Type of child care service

It will be calculated by the hour using these hourly rate caps:

- Centre based day care – \$11.77<sup>a</sup> per hour
- Family day care – \$10.90<sup>a</sup> per hour
- Outside school hours care – \$10.29<sup>a</sup> per hour
- In Home care – \$25.48<sup>a</sup> per hour (per family).



## What you need to do now

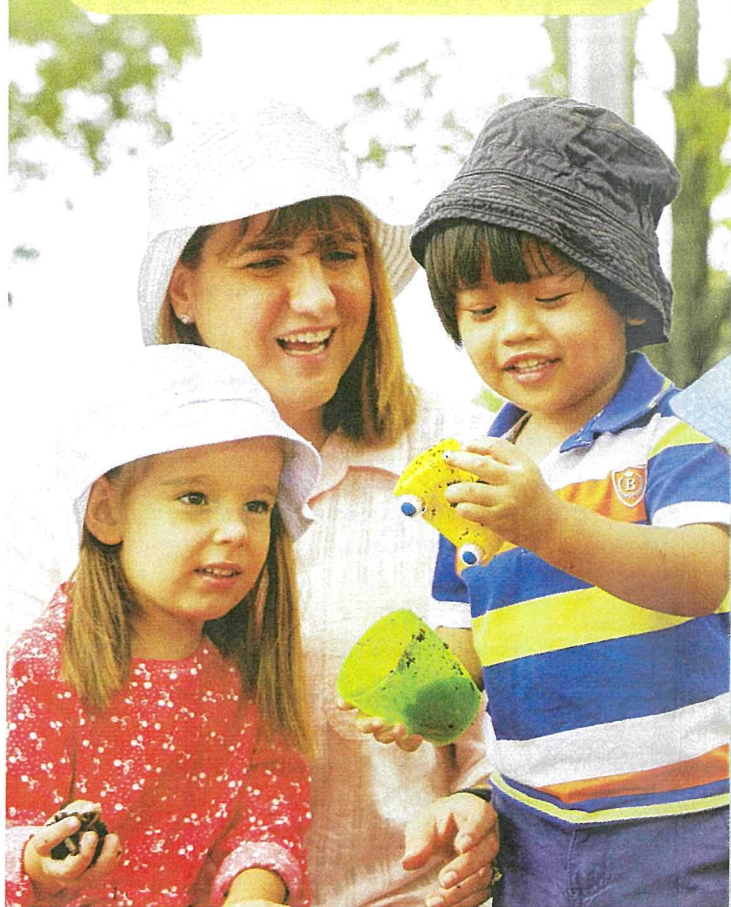
Transitioning to the new Child Care Subsidy is not an automatic roll over from the two current payments.

You must provide some new information and confirm your current details using your Centrelink online account through **myGov**.

You will be asked to provide:

- your combined family income estimate for the 2018–19 financial year
- the hours of recognised activity including work, training, study and volunteering
- the type of child care your family uses.

For more information on this process, visit [education.gov.au/childcare](http://education.gov.au/childcare)



## Child Care Safety Net

The Package includes a \$1.2 billion Safety Net to give the most vulnerable and disadvantaged children, as well as those from regional and remote communities, a strong start through access to quality early learning and child care.

### Additional Child Care Subsidy

Included in the Child Care Safety Net is an Additional Child Care Subsidy. It will, in most cases, cover all of a child's fees. It is designed to support:

- families who require practical help to support their children's safety and wellbeing
- grandparents who are primary carers
- families experiencing temporary financial hardship
- families transitioning from income support to work.

The Additional Child Care Subsidy replaces a number of existing payments including the Special Child Care Benefit and the Jobs, Education and Training Child Care Fee Assistance.

### Find out more

To find out more, and to estimate what your new subsidy might be, visit [education.gov.au/childcare](http://education.gov.au/childcare)



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# The New Child Care Package

MORE SUPPORT FOR MORE FAMILIES.  
WHAT YOU NEED TO KNOW.

Starts 2 July 2018



Find out more: [education.gov.au/childcare](http://education.gov.au/childcare)